

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF DEAN AND) APPEAL NO. 06-A-2172
KOLLEEN PFOST from the decision of the Board) FINAL DECISION
of Equalization of Elmore County for tax year 2006.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 2, 2006, in Mountain Home, Idaho, before Hearing Officer Steve Wallace. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellants Dean and Kolleen Pfoست appeared. Assessor Jo Gridley, Chief Appraiser Joell Soboslci, and Prosecuting Attorney Kristina Schindele appeared for Respondent Elmore County. This appeal is taken from a decision of the Elmore County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. RPB0071018001EA.

The issue on appeal is the market value of a residential property.

The decision of the Elmore County Board of Equalization is affirmed.

FINDINGS OF FACT

The assessed land value of subject property is \$287,109. Appellant requests the land value be reduced to \$250,000.

The subject property is located in Glenns Ferry, Idaho and is described as Tax 87 in Lot 1 Block 18 Hartman Division. Subject is a 4,753 square foot residence located on a .980 acre lot.

Appellants presented three points to support their claim: 1) a 1995 law passed in Idaho that sets a 3% cap on annual increases in property taxes, 2) property appraisals must be based on fair market value, 3) a letter from a realtor suggesting the subject property could be sold for

\$250,000.

Taxpayers purchased subject property for \$250,000 in 2004. Taxpayers contend the increase in subject's assessed value of \$287,109 violates the 1995 law setting a maximum property tax increase of 3% annually.

Appellants also contend that subject assessment must be based on fair market value and the valuation of their property was excessive. The County provided Appellants with sales in the area. Appellants sought to demonstrate that adjoining properties were much nicer, yet assessed only minimally higher than subject. Respondent showed that properties adjacent to subject were assessed much higher than subject, at \$567,367 and \$456,170 respectively.

Taxpayers also submitted a letter from a local real estate agency indicating that the realtor thought he could sell the subject property for \$250,000. The realtor did not conduct an appraisal of the property. The letter mentioned the fact that the property was on the market for six years prior to Taxpayers' purchase. Appellants claim the extended market time should be considered in the valuation as it indicated a potential hardship should they decide to sell the residence.

Respondent noted that under current law, assessments must be based on fair market value and provided three sales to support the value of the subject property. Two of the sale properties were appraised higher than subject. The adjusted sales indicated a value range of \$251,629 to \$290,788 for subject property.

Respondent also noted that sales indicated prices had increased by approximately .008% per month during 2005. Using this calculation, Respondent indicated subject's value should have increased to approximately \$294,000.

Respondent explained inadequacies in subject property were addressed through additional depreciation.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

For the purpose of property valuation in assessing taxes, Idaho is a fair market value state as governed by state law.

63-205. ASSESSMENT -- MARKET VALUE FOR ASSESSMENT PURPOSES. (1) All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided. Market value for assessment purposes shall be determined according to the requirements of this title or the rules promulgated by the state tax commission.

63-201. DEFINITIONS. As used for property tax purposes in title 63, chapters 1 through 23, Idaho Code, the terms defined in this section shall have the following meanings, unless the context clearly indicates another meaning...

"Market value" means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellants claim the assessment of subject property was excessive and provided a letter from a local realtor who thought subject could be sold for \$250,000. The realtor did not conduct an appraisal on subject property.

Respondent provided three sales to support the assessment of subject property. Respondent further noted that sales prices in the area had increased by approximately .008% per month, which if used in the assessment of subject property, would result in an even higher

valuation.

Appellants contend Idaho law prohibits more than a 3% annual increase. The law cited by Appellants is a 1995 law which pertains to a 3% cap on “budget increases” and does not pertain to property values. Idaho has a fair value standard where property value is determined by the going market rate and not governed by other statutory State controls.

In light of all the evidence provided in this matter, the Board has determined that the assessed value of \$287,109 reached by the County is fair and equitable. As such, the decision of the Elmore County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Elmore County Board of Equalization concerning the subject parcel be, and the same hereby is, affirmed.

DATED this 5th day of March, 2007.